

## Message Text

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PAGE 01 COPENH 05818 081845Z  
ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 STR-07 AGRE-00 COME-00  
/041 W

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FM AMEMBASSY COPENHAGEN  
TO SECSTATE WASHDC 7118  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY OSLO  
AMEMBASSY STOCKHOLM  
USMISSION GENEVA

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USEEC

USMTN

E O 11652: N/A  
TAGS: ETRD, EEC, EFTA, DA  
SUBJ: EC/EFTA RULES OF ORIGIN

REF: COPENHAGEN 291 (JAN 76)

SUMMARY: NORDISK KELLOGG'S A/S HAS PRESENTED NEW CASE OF  
TRADE DIVERSION CAUSED BY RESTRICTIVE EC/EFTA RULES OF  
ORIGIN. CASE INVOLVES THE USE OF U.S. MANUFACTURED  
HONEY-BAKE (GRANULATED HONEY) FOR THE PRODUCTION OF  
MUESLI (CEREAL) ULTIMATELY DESTINED PRIMARILY FOR NORWAY  
AND SWEDEN (EFTA COUNTRIES). KELLOGG'S HAS PREVIOUSLY  
PRESENTED CASE ON THE USE OF NORTH AMERICAN CORN FOR THE  
PRODUCTION OF CORNFLAKES ALSO DESTINED FOR EFTA COUNTRIES  
(REFTEL). END SUMMARY.

1. NORDISK KELLOGG'S A/S HAS PRESENTED EMBASSY WITH NEW  
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CASE OF TRADE DIVERSION CAUSED BY RESTRICTIVE EC/EFTA  
RULES OF ORIGIN (R/O). CASE INVOLVES THE USE OF  
U.S. PRODUCED HONEY-BAKE (GRANULATED HONEY) FOR THE  
PRODUCTION OF MUESLI (CEREAL OF SWISS RECIPE  
ORIGIN) OF WHICH A MAJOR PART OF THE PRODUCTION IS  
EXPORTED TO PRIMARILY NORWAY AND SWEDEN.

2. THE DANISH CUSTOMS AUTHORITIES CLASSIFY HONEY-BAKE UNDER THE SAME CCCN 21.07 AS THE FINISHED PRODUCT, THUS THE USE OF U.S. PRODUCED HONEY-BAKE RESULTS IN ASSESSMENT OF CUSTOMS DUTIES UPON IMPORTS INTO EFTA COUNTRIES, IN THIS CASE PRIMARILY NORWAY, WHERE A DUTY OF 30 PERCENT IS ASSESSED. THERE IS NO LIST B RELAXATION RELATING TO CCCN 21.07. THE ASSESSMENT OF CUSTOMS DUTIES RESULTING FROM R/O APPLICATION IN THIS CASE PROHIBITS THE USE OF U.S. MADE HONEY-BAKE.

3. THE LOSS TO THE U.S. SUPPLIER IS VALUED AT AROUND \$40,000 ANNUALLY. HOONEY-BAKE IS SUPPLIED BY FOOD TECHNOLOGY INC., 5903 NW HIGHWAY, CHICAGO, ILLINOIS 60631, THROUGH HIS BRITISH AGENT MANLEY PURE FOODS LIMITED, LONDON.

4. KELLOGG'S ADVISED EMBASSY THAT SO FAR THEY HAVE BEEN UNABLE TO FIND ALTERNATIVE SUPPLIERS WITHIN THE EC AREA. KELLOGG'S CONSIDERS HONEY-BAKE SUPERIOR TO SIMILAR PRODUCTS AND CONVERSION TO OTHER PRODUCTS WOULD INVOLVE HEAVY COSTS IN THE PRODUCTION PROCESS. KELLOGG'S TOLD US THAT THEY HAVE APPEALED THE DANISH CUSTOMS RULING TO THE EC COMMISSION, ASKING FOR RE-CLASSIFICATION OF HONEY-BAKE OR, ALTERNATIVELY, A WAIVER FROM R/O REQUIREMENTS.

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5. EMBASSY SUGGESTS THAT ABOVE CASE BE ADDED TO THE PRESENT R/O CASES NEGOTIATED IN THE MTN. MANSHEL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RULES, GRAINS, TRANSACTION CHECKS  
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**Disposition Approved on Date:**  
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**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978COPENH05818  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Subject:** EC/EFTA RULES OF ORIGIN  
**TAGS:** ETRD, DA, US, EEC, EFTA, KELLOGG  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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